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THIS IS UNEVALUATED INFORMATION 25X1

1. It was learned that 273 billion units of penicillin were produced by Jenapharm in May 1955, or 97.5 percent of the target. With arrears of 800 billion units carried over from 1954, the target was fulfilled only 63 percent during the period between 1 January and 31 May 1955. As a result of the arrears, the delivery of penicillin to GDR hospitals was quite inadequate, and Jenapharm's financial deficit during this period was estimated at between 3 and 5 million eastmarks. The production of repository oil-penicillin had come to a standstill. Previous deliveries were returned to the factory because of unsatisfactory quality.
2. During the search for a scapegoat, several leading persons of the plant reported ill, [redacted] the chief of the research department resigned, and a biologist was fired. A conference held on 26 May 1955 to determine corrective measures was attended by Jenapharm director Dr Willi Koehler, pharmacist Greulich (fnu), Huebner (fnu), a representative of the Health Ministry, and Beck (fnu), chief of the HV Pharmazie (Chief Directorate for Pharmacy). Director Koehler was ordered to submit a report on the situation to the Health Ministry. As a result, a special 3-million mark credit was allegedly granted to Jenapharm in late June 1955. [redacted] the failure in the penicillin production was the result of inadequate organization of research and scientific management as well as to the lack of adequate machinery. The onus was shifted to the former manager Professor Hans Knöhl, presently director of the Jena Institute of Microbiology. Jenapharm's present director is considered incapable of solving the problems.
3. A production output of 18 kg of streptomycin was reported for the period between 1 January and 31 May 1955. The production target had been fixed at 30 kg, and the plant itself had aimed at an output of 60 kg. All hope to substitute streptomycin for penicillin had, therefore, to be abandoned.
4. The production of chloromycetin (also design^{at}ed chloramphenicol) is said to be performed by fully synthetical methods and to be trouble-free.

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